

What Everyone Should Know About 5010

Electronic transactions in the health care industry are regulated by rules and standards established by the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Beginning January 1, 2012, all electronic transactions will convert to the HIPAA version 5010, including the approved errata. Version 5010 will apply to all health care providers, billing agents and clearinghouses currently submitting version 4010A1 electronic transactions or those that would like to begin electronically reporting or inquiring about electronic transactions.

- Version 5010 replaces the old version of the ANSI X12 standards for HIPAA transactions.
- Version D.0 replaces the old version of the National Council for Prescription Drug Program standards for pharmacy and supplier transactions.

How does it affect me?

You must convert to version 5010 standards by the federal compliance date or your claims and other transactions *will be rejected*. Reimbursement delays and resubmission costs could occur, so it is important to prepare now. If you are currently submitting paper claims or submitting claims via direct data entry, we encourage you to consider adopting an electronic approach. Electronic transactions offer efficiencies in claims filing and inquiries.

When is it required?

The federal compliance date for conversion to 5010 for all electronic transactions, including those you or your software vendor or clearinghouse send to the Michigan Department of Community Health (MDCH), is January 1, 2012.

Key events in the implementation timeline are:

- January 2011 through Summer 2011- Internal MDCH Testing
- Spring 2011 through December 31, 2011- Validation testing using Edifecs Ramp Manager
- Spring 2011- Pilot testing of a selected subset of providers and provider types
- Summer 2011 to December 31, 2011- Subsystem testing for remaining providers
- January 1, 2012- Implementation of the version 5010 standards

Additional testing information will be available in the near future and posted on the MDCH website.

How do I prepare for it?

If you haven't already started planning, start now. Talk with your vendor or billing agent. Take advantage of the wide range of information available on the Internet.

- Confirm your vendors, billing agents and other partners can support 5010 requirements. Ask the following questions:
 - ✓ Will they upgrade your current system? Is there a charge?
 - ✓ Will the upgrade include transactions acknowledgements, 999
 - ✓ When can you begin testing?
 - ✓ Will they complete their transition prior to the January 1, 2012 compliance date?
- Review your contracts for terms related to honoring federal mandates or amend contracts as needed.
- Make sure you have the same understanding of the changes.
- Obtain timelines and project plans.
- Review CMS' *Provider Action Checklist for a Smooth Transition* at
 * <http://www.cms.gov/Versions5010andD0/Downloads/w5010PvdrActionChklst.pdf>
 This document provides a wealth of information.

Why the change?

This is the first major version change since HIPAA was implemented. The new version enhances the business functionality, clarifies some ambiguities and better defines situational and required data elements. Some of the changes include:

- Full support of National Provider Identifier reporting
- Prohibits use of a P.O. Box for billing provider address
- Requires 9-digit zip code at billing and service provider loops
- Accepts assignment (2300) CLM07 now used for provider to accept assignment with the payer. Previously, this segment was used for Medicare par status only.
- Changes made to the AMT segments for coordination of benefits (COB) claims (approved and allowed deleted)
- Expands the number of diagnosis codes to 12
- Date of service range only required when from and to are different (RD8)
- Pay-to-provider address required when **different** than the billing provider

Where can I learn more about HIPAA 5010?

- ✓ The Centers for Medicare and Medicaid Services – *MLN Matters* article about 5010 at * <http://www.cms.gov/MLNMattersArticles/downloads/SE0904.pdf>
- ✓ The Centers for Medicare and Medicaid Services downloads available at * http://www.cms.gov/Versions5010andD0/40_Educational_Resources.asp
- ✓ TR3s (IG) available for purchase from the Washington Publishing Company at * <http://www.wpc-edi.com>

Questions about the implementation of the 5010 can be e-mailed to MDCH-5010@michigan.gov. Additional information will be added to the MDCH website, www.michigan.gov/5010ICD10, as it becomes available.

*MDCH does not control this website

